

THE HONORABLE BRIAN A. TSUCHIDA

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CHRISTOPHER J. HADNAGY, an individual; and SOCIAL-ENGINEER, LLC, a Pennsylvania limited liability company,

Plaintiff,

v.

JEFF MOSS, an individual; DEF CON COMMUNICATIONS, INC., a Washington corporation; and DOES 1-10; and ROE ENTITIES 1-10, inclusive,

Defendants.

No. 2:23-cv-01932-BAT

DEFENDANTS' REPLY IN SUPPORT OF MOTION TO EXCLUDE PLAINTIFFS' DAMAGES EXPERT BEN THOMAS

Noted for Consideration: April 4, 2025

Redacted Version

TABLE OF CONTENTS

		Page
1		
2	I. INTRODUCTION	3
3	II. ARGUMENT	4
4	A. The fact that Mr. Thomas is a CPA alone is not sufficient.....	4
5	B. Mr. Thomas cannot rehabilitate his testimony with information not contained in his Report.	4
6	C. Mr. Thomas cannot simply decide whether to testify regarding lost business value based on undetermined future revenue.	8
7		
8	D. Hadnagy spoon fed Mr. Thomas client-prepared facts.	9
9	E. Mr. Thomas fails to explain how increased operating expenses are tied to the Transparency Report.....	10
10	F. Mr. Thomas’s calculations include unrelated and unrecoverable amounts.	12
11		
12	G. Mr. Thomas’s damages calculations double dip.	13
13	H. Mr. Thomas improperly assumes causation, ignoring alternative explanations and the factual record.	14
14	III. CONCLUSION	16
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		

TABLE OF AUTHORITIES

Page(s)

CASES

<i>Bell v. Boeing Co.</i> , 2022 WL 1206728 (W.D. Wash. Apr. 22, 2022)	6
<i>Chung v. Washington Interscholastic Actives Ass’n</i> , 2021 WL 1978698 (W.D. Wash. May 18, 2021)	9, 15
<i>Daubert v. Merrell Dow Pharms., Inc.</i> , 509 U.S. 579 (1993).....	4
<i>Echologics, LLC v. Orbis Intelligent Sys., Inc.</i> , 2023 WL 2756492 (2023)	4, 8, 11
<i>Gen. Elec. Co. v. Joiner</i> , 522 U.S. 136 (1997).....	7
<i>Geo. M. Martin Co. v. All. Mach. Sys. Int’l, LLC</i> , 2008 WL 2008638 (N.D. Cal. May 6, 2008)	9
<i>Grasshopper House, LLC v. Clean & Sober Media LLC</i> 2019 WL 12074086 (C.D. Cal. July 1, 2019).....	15, 15
<i>Int’l, Inc. v. Houlihan Trading Co.</i> , 2023 WL 2611796 (W.D. Wash. Mar. 23, 2023).....	12
<i>Johnson v. Oroweat Foods Co.</i> , 785 F.2d 503 (4th Cir. 1986).....	13
<i>Luke v. Family Care & Urgent Med. Clinics</i> , 323 F. App’x 496 (9th Cir. 2009)	5
<i>Lust By & Through Lust v. Merrell Dow Pharms., Inc.</i> , 89 F.3d 594 (9th Cir. 1996).....	15
<i>Moe v. Wise</i> , 97 Wash. App. 950 (1999).....	12

1	<i>Platt v. Holland Am. Line Inc.,</i>	
2	2023 WL 2938172 (W.D. Wash. Apr. 13, 2023)	5
3	<i>Rulffes v. Macy’s W. Stores, LLC,</i>	
4	2023 WL 5015963 (W.D. Wash. Aug. 7, 2023)	6
5	<i>Sherwin–Williams Co. v. JB Collision Servs., Inc.,</i>	
6	2015 WL 1119406 (S.D. Cal. Mar. 11, 2015)	5
7	<i>Tapia v. NaphCare Inc.,</i>	
8	2025 WL 437927 (W.D. Wash. Feb. 7, 2025)	9
9	<i>Therasense, Inc. v. Becton, Dickson and Co.,</i>	
10	2008 WL 2323856 (N.D. Cal. May 22, 2008)	9
11	<i>UBS Fin. Servs. Inc. v. Montoya,</i>	
12	2014 WL 2876688 (N.D. Cal. June 24, 2014)	12
13	FEDERAL RULES	
14	Fed. R. Civ. P. 26	4, 7
15	Fed. R. Civ. P. 37	6
16	Fed. R. Evid. 702	4, 4
17	Fed. R. Evid. 703	9

1 **I. INTRODUCTION**

2 The Court should exclude the expert testimony of Plaintiffs Social-Engineer,
3 LLC and Christopher Hadnagy's (collectively, "Hadnagy") damages expert, Ben
4 Thomas, for several reasons, as outlined below and in Defendants Jeff Moss and Def
5 Con Communications, Inc.'s (collectively, "Defendants") Motion to Exclude (ECF 90).

6 Hadnagy effectively concedes that Mr. Thomas's expert report is riddled with
7 deficiencies by trying to repair those deficiencies with external information in his
8 Opposition. But Mr. Thomas's expert testimony is limited to what is contained in his
9 September 13, 2024, expert report ("Report"). Hadnagy cannot insert external infor-
10 mation or data that he did not initially provide in an attempt to salvage his report.
11 For lost business value, Mr. Thomas's Expert Report does not contain any explana-
12 tion for his use of the "market approach," how he selected the supposedly fourteen
13 transactions, how he deselected other undisclosed transactions, or the underlying
14 data for those fourteen transactions. Hadnagy's untimely production of the underly-
15 ing data (ECF 113, Ex. B) is impermissible.

16 Mr. Thomas's testimony is further unreliable because he predicates it on sev-
17 eral assumptions that the factual record does not support. To reach the opinions that
18 his Expert Report asserts, Mr. Thomas relied upon a Hadnagy-created spreadsheet
19 without independently reviewing the underlying data and assumed: (1) all contracts
20 were lost as a result of Defendants' alleged defamation; (2) all increased operating
21 expenses were the result of Defendants' alleged defamation; and (3) Social-Engineer
22 lost 100% of its value. In doing so, Mr. Thomas ignores the factual record, including
23 Hadnagy's own spreadsheet indicating that contracts were lost for reasons other than
24 the Transparency Report; and Social-Engineer's net revenue increasing in the years
25 after the Transparency Report.

II. ARGUMENT

A. The fact that Mr. Thomas is a CPA alone is not sufficient.

The Court may exclude an expert witness for several reasons, including lack of qualifications, unreliable principles and methodologies, insufficient facts or data, or unreliable application to the facts of the case. Fed. R. Evid. 702; *see also Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 590–92 (1993). Hadnagy argues that Mr. Thomas is qualified to testify as an expert because he is a Certified Public Accountant (“CPA”). ECF 112 at 3–5. But the fact that Mr. Thomas is CPA alone is not sufficient to warrant admissibility. His testimony must also meet the other three criteria under FRE 702: (1) be based on sufficient facts or data, (2) be the product of reliable principles and methods, and (3) reflect a reliable application of the principles and methods to the facts of the case. *See* Fed. R. Evid. 702. His testimony fails under FRE 702’s other three criteria.

B. Mr. Thomas cannot rehabilitate his testimony with information not contained in his Report.

An expert’s report “must contain a complete statement of all opinions the witness will express and the basis and reasons for them,” as well as “the facts or data considered by the witness in forming them.” Fed. R. Civ. P. 26(a)(2)(B)(i), (ii). An expert “may only testify in accordance with their expert report.” *Echologics, LLC v. Orbis Intelligent Sys., Inc.*, No. 21-CV-01147-H-AHG, 2023 WL 2756492, at *12 (S.D. Cal. Mar. 27, 2023) (precluding expert from offering opinions or analysis not contained in expert report). Mr. Thomas cannot rely on untimely data to salvage his deficient Report and cannot testify to information his Report does not contain.

Mr. Thomas’s Report fails to include: (1) an explanation of Mr. Thomas’s selection of the market approach over other methodologies, (2) the criteria he used to select supposedly “comparable” fourteen transactions between 2010 to 2023, (3) disclosure of the fourteen transactions that he did select, (4) disclosure of the transactions that

he did not select, and (5) the data of the fourteen transactions that he considered. *See* ECF 90 at 5–7; *see also* ECF 91-1. The Report merely states that “a search of companies sufficiently comparable to Social-Engineer revealed 14 guideline transactions over the relevant historical period” and that those fourteen transactions were “used to estimate a loss in business value.” ECF 91-1 ¶ 24. The Report nowhere discloses the fourteen transactions selected or the underlying data of each transaction, such as the date of sale, the type of business, the location of the business or, most importantly, the sale price of the business. *See id.* ¶¶ 22–27.

On October 11, 2024, to try to cure the deficiencies in the Report, Hadnagy produced the data underlying the fourteen transactions that formed the basis of Mr. Thomas’s damages calculations. ECF 112 at 7:1–15; ECF 113, Ex. B. Hadnagy essentially seeks to supplement Mr. Thomas’s Report with deposition testimony and data untimely produced. But such testimony and documentation are too little, too late. “[S]upplementation under the Rules means correcting inaccuracies, or filling the interstices of an incomplete report based on information that was ***not available at the time of the initial disclosure.***” *Luke v. Family Care & Urgent Med. Clinics*, 323 F. App’x 496, 500 (9th Cir. 2009) (emphasis added). “[S]upplementation does not cover failures of omission because the expert did an inadequate or incomplete preparation[.] To construe supplementation to apply whenever a party wants to bolster or submit additional expert opinions would wreak havoc in docket control and amount to unlimited expert opinion preparation.” *Platt v. Holland Am. Line Inc.*, No. 2:20-CV-00062-JHC, 2023 WL 2938172, at *4 (W.D. Wash. Apr. 13, 2023) (quoting *Sherwin-Williams Co. v. JB Collision Servs., Inc.*, 2015 WL 1119406, at *6 (S.D. Cal. Mar. 11, 2015)). Rule 26(e) may not be used as a “loophole through which a party who . . . wishes to revise her disclosures in light of her opponent’s challenges to the analysis and conclusions therein, can add to them to her advantage after the court’s deadline

for doing so has passed.” *Luke*, 323 F. App’x at 500. “Put more plainly, Rule 26(e) does not give litigants license to sandbag their opponents with previously undisclosed opinions, nor does it provide a shortcut for shoring up hastily composed or otherwise shoddy expert reports.” *Rulffes v. Macy’s W. Stores, LLC*, No. 2:22-CV-1075, 2023 WL 5015963, at *4 (W.D. Wash. Aug. 7, 2023), *reconsideration denied*, 2023 WL 5207356 (W.D. Wash. Aug. 14, 2023). Hadnagy had a September 13, 2024, deadline to disclose his expert witness and produce all data Mr. Thomas considered to form his expert opinion. *See* ECF 45. Hadnagy admits that he did not produce Mr. Thomas’s “detailed calculations” and “financial overview of the companies used in the market approach” until October 11, 2024, nearly ***one month after*** the Court’s deadline. ECF 112 at 7:9–15. On September 13, 2024, Mr. Thomas had this data and relied upon it to form his Report’s opinions, yet he failed to provide it to Defendants. Mr. Thomas cannot rely on the untimely disclosures to remedy the issues in his Report. *See* Fed. R. Civ. Proc. 37(c)(1); *see also Bell v. Boeing Co.*, No. 20-CV-01716-LK, 2022 WL 1206728, at *3 (W.D. Wash. Apr. 22, 2022).

Mr. Thomas’s deposition testimony does nothing to save his selection of the fourteen transactions. Hadnagy claims that Mr. Thomas “deselected the companies that operated in irrelevant industries” and “provided examples of tanning salons, and companies related to the military.” ECF 112 at 7:1–4. But that mischaracterizes Mr. Thomas’s testimony:

Q. You said that you selected those that were most comparable, so does that mean that you excluded comps when you ultimately decided on that 14 comps or however many you said that you used?

A. Yes, there were certain comps that were deselected. I would have to go specifically back into the database to see which ones were deselected, but they would’ve -- just either if there’s -- when you do these searches, there are some that are just totally irrelevant. You know, there might be a tanning salon ends up in here for whatever reason just because they have the NAICS code. So things like that, just going through,

1 making -- removing those particular ones. There could be some that
2 are, you know, related to -- I don't know -- military and things like
3 that, so there are certain things like that that might be removed.

4 Thomas Dep. 135:9–24.

5 Mr. Thomas could not recall the specific transactions that he deselected. In-
6 stead, he used (as hypothetical examples) that there “might” be a tanning salon or
7 military company. He did *not* testify that he deselected these specific transactions to
8 support his damages calculations. Mr. Thomas merely asserts—without any support-
9 ing data or specific deposition testimony—that he deselected companies that he
10 deemed to be in “irrelevant” industries.

11 Hadnagy’s argument that Mr. Thomas “offered to provide Defendants with the
12 list of companies removed” at his deposition and that “Defendants never followed up”
13 is unavailing. ECF 112 at 7:3–8. Under Rule 26, Hadnagy has a duty to disclose all
14 data that Mr. Thomas relied upon to form his expert opinion. *See* Fed. R. Civ. P.
15 26(a)(2)(B)(ii). It is not on Defendants to follow up and obtain such information from
16 Hadnagy’s expert. Hadnagy should have done so as part of his September 13, 2024,
17 initial disclosures. Hadnagy’s failure to do so renders Mr. Thomas’s expert testimony
18 unreliable and warrants exclusion. *See* Fed. R. Civ. Proc. 37(c)(1).

19 Finally, Mr. Thomas’s vague testimony that “some industries, it doesn’t matter
20 how old you go or how far back you go in time. They could always transact at one
21 multiples [...] and be more driven off of the earnings” does not support his unilateral
22 decision to go back as far as 2010 to find “comparable” transactions. Thomas 136:7–
23 16. Without objective criteria for why he selected (or deselected) certain transactions
24 and the time period within which he ran the search, Mr. Thomas’s selection of the
25 fourteen transactions is nothing more than *ipse dixit*. *Gen. Elec. Co. v. Joiner*, 522
26 U.S. 136, 137 (1997) (“Nothing in either *Daubert* or the Federal Rules of Evidence

1 requires a district court to admit opinion evidence that is connected to existing data
2 only by the *ipse dixit* of the expert.”).

3 **C. Mr. Thomas cannot simply decide whether to testify regarding**
4 **lost business value based on undetermined future revenue.**

5 Hadnagy concedes that Social-Engineer *does* have value as a going concern,
6 admitting that Mr. Thomas calculated lost business value “under the assumption that
7 the business would lose its entire value at a future point.” ECF 112 at 16:20–22.
8 Hadnagy then promises that “if Social-Engineer’s business improves or does not ulti-
9 mately fail, he will not present damages for lost business valuation at trial.” ECF 112
10 at 9. Mr. Thomas cannot assert in one breath that Hadnagy suffered \$1,692,000 in
11 lost business value (see ECF 91-1 ¶ 7), yet in another claim that he will not testify on
12 lost business value if—at some undetermined time in the future before trial—he de-
termines his current Report and corresponding testimony was inaccurate.

13 Trying to avoid exclusion, Hadnagy argues that “because the company contin-
14 ues to operate at a loss and incur debt, Mr. Thomas reasonably accounted for the
15 possibility of total business failure in his damages calculation.” *Id.* But that is not
16 what Mr. Thomas did. Mr. Thomas did not provide various different scenarios of So-
17 cial-Engineer’s valuation in his Report based on the factual record. He did not even
18 calculate the current value of Social-Engineer. Thomas Dep. 138:3–14. Instead, Mr.
19 Thomas assumed that Social-Engineer lost **100% of its value** and only provided ex-
20 pert opinion based on that **one** potential outcome (and he thus limits his testimony
21 to that one outcome). *See Echologics*, 2023 WL 2756492, at *12.

22 Hadnagy’s Opposition fails to address this point, but it bears repeating: Social
23 Engineer’s annual net revenue **increased** by [REDACTED] (pre-damages pe-
24 riod) in 2021 to [REDACTED] (during the alleged damages period) in 2022. *See* ECF 91-
25 1 at Schedule 2. Social-Engineer also reported an annual revenue of [REDACTED] in
26 2023. *Id.* Social-Engineer’s undisputed revenues demonstrate that the factual record

1 does not remotely support Mr. Thomas’s conclusions regarding lost business valua-
 2 tion. The Court should therefore exclude them. *See Chung v. Washington Intersch-*
 3 *olastic Actives Ass’n*, 2021 WL 1978698, at *3 (W.D. Wash. May 18, 2021) (excluding
 4 expert testimony where the “underlying assumptions lack a factual basis in the rec-
 5 ord”).

6 **D. Hadnagy spoon-fed Mr. Thomas client-prepared facts.**

7 Hadnagy provided Mr. Thomas with a Hadnagy-prepared spreadsheet that
 8 purports to summarize the work Social-Engineer allegedly “lost” because of Defend-
 9 ants’ defamation. Mr. Thomas did not review these underlying contracts or state-
 10 ments of work, nor did he review any communications between Hadnagy and the al-
 11 leged clients. Mr. Thomas cannot simply parrot facts that Hadnagy spoon-fed him to
 12 form his opinions. *See* Fed. R. Evid. 703; *see also Tapia v. NaphCare Inc.*, No. C22-
 13 1141-KKE, 2025 WL 437927, at *24 (W.D. Wash. Feb. 7, 2025) (holding expert must
 14 show that his opinions are informed by “his direct experience, observations, and facts
 15 in the record”); *Therasense, Inc. v. Becton, Dickson and Co.*, 2008 WL 2323856, at *1
 16 (N.D. Cal. May 22, 2008) (excluding expert testimony and noting that “[o]ne of the
 17 worst abuses in civil litigation is the attempted spoon-feeding of client-prepared and
 18 lawyer-orchestrated “facts” to a hired expert who then “relies” on the information to
 19 express an opinion”); *Geo. M. Martin Co. v. All. Mach. Sys. Int’l, LLC*, No. C 07-00692
 20 WHA, 2008 WL 2008638, at *1 (N.D. Cal. May 6, 2008) (excluding survey that was
 21 “spoon-fed to expert by counsel and client”).

22 Hadnagy claims that Mr. Thomas’s expert opinion is “directly supported by the
 23 factual record,” citing to and quoting from the declaration of Ryan McDougall that
 24 Hadnagy submitted to oppose the motion for summary judgment. ECF 112 at 11:6–
 25 16. But Hadnagy did not provide Mr. Thomas with McDougall’s declaration; this dec-
 26 laration did not form the basis of Mr. Thomas’s expert opinion; and this declaration

1 does not confirm the accuracy of the data that Hadnagy spoon-fed to Mr. Thomas and
 2 upon which Mr. Thomas relied. *See* ECF 91-1 at p.16.

3 In addition, Mr. Thomas’s testimony is unreliable because, rather than take
 4 the average of Hadnagy’s income (which would be [REDACTED]), Mr. Thomas unilaterally
 5 chose to round up to [REDACTED], inflating Hadnagy’s damages. ECF 90 at 11–12;
 6 Thomas Dep. 105:6–106:10. An expert must base his testimony on damages on objec-
 7 tive and reliable principles, not his mathematical whimsy.

8 **E. Mr. Thomas fails to explain how increased operating expenses**
 9 **are tied to the Transparency Report.**

10 By including Hadnagy’s increased operating expenses as a component of his
 11 damages for lost income—without analyzing *why* those increases resulted or *how* De-
 12 fendants’ alleged defamation caused these increased expenses—Mr. Thomas’s testi-
 13 mony is not the product of reliable principles. The Court must exclude it.

14 Hadnagy’s Opposition claims that Mr. Thomas “provided perfectly reasonable
 15 explanations” for the increased operating expenses in his deposition testimony.
 16 Hadnagy cites testimony where Mr. Thomas states that “some of them are going to
 17 be directly tied” to the Transparency Report while “others are going to be what appear
 18 to be more normal business operating expenses,” necessarily implying that—even in
 19 Mr. Thomas’s own telling—Defendants’ alleged defamation did not cause certain in-
 20 creased expenses in Schedule 2. ECF 112 at 13:15–22; Thomas Dep. 73:7–16.
 21 Hadnagy also argues that these increased operating expenses were the result of
 22 “Plaintiffs’ revenue plummeting.” ECF 112 at 14:2–6. But the fact that Hadnagy’s
 23 revenue may have been declining (it wasn’t) does not explain how Defendants’ alleged
 24 defamation caused, for example, Hadnagy’s expenses for “meals” to increase from
 25 \$[REDACTED] to \$[REDACTED], or for “trainings and seminars” to increase from \$[REDACTED] to \$[REDACTED].
 26 ECF 91-1 at Schedule 2.

Moreover, Mr. Thomas's deposition testimony fails to explain (1) why Hadnagy's operating expenses significantly increased in 2021 and 2022; (2) how such Defendants' alleged defamation, directly or indirectly, caused these increased operating expenses; (3) how the factual record supports this conclusion; and (4) whether Hadnagy could have avoided these expenses. Mr. Thomas's Report also does not provide any analysis *whatsoever* regarding these increased operating expenses or how Defendants caused these increases. *See generally* ECF 91-1. Again, Mr. Thomas may only testify in accordance with his Report, and his failure to include such analysis in his Report bars testimony on the matter. *See Echologics*, 2023 WL 2756492, at *12.

Besides, Mr. Thomas admits in his deposition testimony that he does not know the "specifics" behind Hadnagy's increased operating expenses, further undermining any claim that Defendants caused these increased expenses. For example, when asked about the increased "consulting fees," Mr. Thomas testified:

Q: And what are these consulting fees?

A: I don't know the specifics behind the consulting fees.

...

Q: Sitting here today, can you tell me what the consulting fees are?

A: Right. Like I said, I don't know – I don't know exactly what those relate to. I'd have to refresh my recollection.

Q: And sitting here today, can you tell me how they actually increased because of Def Con or Mr. Moss?

A: Right. Same answer there. I don't know the specifics of the increase.

Thomas Dep. 73:7–74:2. Mr. Thomas cannot claim that Defendants' alleged defamation caused these consulting fees when *he does not even know what the consulting fees were for*. Mr. Thomas later admits that he made the "assumption that [increased expenses] tied back to the issuance of the transparency report." *Id.* at 75:6–8.

1 Lastly, Mr. Thomas’s testimony is unreliable because, as a component of
 2 Hadnagy’s lost income, Mr. Thomas includes unrecoverable legal fees. Mr. Thomas
 3 unequivocally testified that Hadnagy’s increased expenses for “professional fees” in-
 4 cluded “increased legal fees.” *Id.* at 91:13–18. Ignoring the American Rule, Hadnagy
 5 argues that “Mr. Thomas did not testify that these were litigation costs,” apparently
 6 splitting hairs between “litigation costs” and “legal fees.” ECF 112 at 15:10–16. Re-
 7 gardless of terminology, under the American Rule, Hadnagy cannot recover **any** legal
 8 fees he has incurred—before or during litigation—absent a statute or contract that
 9 permits recovery. *See Innovative Sols. Int’l, Inc. v. Houlihan Trading Co.*, No. C22-
 10 0296-JCC, 2023 WL 2611796, at *1 (W.D. Wash. Mar. 23, 2023) (“Under the ‘Ameri-
 11 can Rule,’ litigants must each pay their own attorney fees, unless a statute or contract
 12 provides otherwise.”); *see also UBS Fin. Servs. Inc. v. Montoya*, No. MC 14-80124
 13 WHA, 2014 WL 2876688, at *3 (N.D. Cal. June 24, 2014) (noting that “the general
 14 rule in the United States is that each party must pay its own legal fees”). Moreover,
 15 Hadnagy’s “increased legal fees” are not recoverable as a matter of law. *See Moe v.*
 16 *Wise*, 97 Wash. App. 950, 971 (1999) (denying recovery of attorneys’ fees and costs in
 17 private defamation suit). Mr. Thomas therefore cannot opine on legal fees.

18 **F. Mr. Thomas’s calculations include unrelated and**
 19 **unrecoverable amounts.**

20 Mr. Thomas’s expert testimony is further unreliable because his damages cal-
 21 culations include: (1) allegedly lost income from SEVillage LLC; (2) income from
 22 Hadnagy’s wife, Areesa Hadnagy; and (3) income from January 2022 before the
 23 Transparency Report was posted. ECF 90 at 12–15. Hadnagy cannot recover these
 24 amounts as damages for the following reasons.

25 First, Hadnagy’s wife and SEVillage LLC are not parties to the litigation. Nor
 26 does the Complaint allege that Hadnagy lost income from SEVillage or that his wife
 suffered damages. While Hadnagy asserts that it is “wholly appropriate” for Mr.

1 Thomas to include Hadnagy’s income from SEVillage and Ms. Hadnagy’s income be-
 2 cause “the relevant inquiry focuses on the total income streams attributable to Mr.
 3 Hadnagy . . . regardless of whether those streams flowed from entities or joint filings,”
 4 Hadnagy does not cite any case law or authority to support this conclusory assertion.
 5 ECF 112 at 15–16.

6 Second, although Mr. Thomas testifies that he did not include income from
 7 January 2022 in his damages calculations, *see* Thomas Dep. 20:15–23, Mr. Thomas
 8 admits that he performed a “but-for” analysis for Hadnagy’s lost income for the “full
 9 year” of 2022, which necessarily includes January 2022. *Id.* at 117:20–118:18. Mr.
 10 Thomas further admits in his deposition that he did not perform any sort of formula
 11 to account for or remove the pre-damages time period of January 1, 2022, to February
 12 9, 2022. *Id.* Hadnagy cannot recover income as damages that predate the Transpar-
 13 ency Report’s publication, rendering Mr. Thomas’s methodology for lost income unre-
 14 liable.

15 **G. Mr. Thomas’s damages calculations double dip.**

16 Mr. Thomas testimony is unreliable because the Report seeks double recovery
 17 for the same alleged injury. Mr. Thomas’s damages calculations for Social-Engineer’s
 18 lost business value includes Social-Engineer’s net cash flows and net income to equity
 19 holders for 2022 and 2023. *See* ECF 91-1 ¶¶ 24–27 and Schedule 2. However, Mr.
 20 Thomas’s damages calculations for Hadnagy’s lost income also includes Social-Engi-
 21 neer’s net income to equity holders from 2022 and 2023. *Id.* ¶¶ 20–21 and Schedule
 22 1. Hadnagy’s only argument against this double recovery is that the case law cited by
 23 Defendants is “inapplicable.” Hadnagy is wrong. For example, in *Johnson v. Oroweat*
 24 *Foods Co.*, the appellate court noted that “[t]here are two ways to arrive at a dollar
 25 figure” for the plaintiff’s damages: present value of all future earnings or market
 26 value of the business. 785 F.2d 503, 507–08 (4th Cir. 1986). Finding that these are

1 “simply alternative methods of measuring the extent of the same injury” and that the
 2 plaintiff can “recover either the present value of lost future earnings or the present
 3 market value of the lost business, but not both,” the appellate court reversed and
 4 remanded the case because “the district court permitted an overlap.” *Id.* Specifically,
 5 the district court awarded the plaintiff his lost future earnings from 1982 to 2004 and
 6 the market value of the lost business from 1982 to 2004. *Id.* The same applies here.
 7 Mr. Thomas’s damages calculations impermissibly permit double recovery of
 8 Hadnagy’s lost future earnings from 2022 and 2023 and Hadnagy’s lost business
 9 value from 2022 and 2023.

10 **H. Mr. Thomas improperly assumes causation, ignoring**
 11 **alternative explanations and the factual record.**

12 Hadnagy claims that “Defendants mislead the Court” by relying on the holding
 13 in *Grasshopper House, LLC v. Clean & Sober Media LLC* because the expert witness
 14 in *Grasshopper* “was provided specific facts that would have accounted for alternative
 15 explanations for the reputational decline” and Defendants challenge Mr. Thomas’s
 16 testimony “without ever raising a single piece of evidence supporting another cause
 17 for Plaintiffs’ economic damages.” ECF 112 at 18–19. Hadnagy is wrong for several
 18 reasons.

19 First, like *Grasshopper*, Hadnagy *did* provide Mr. Thomas with “alternative
 20 explanations” for Hadnagy’s alleged economic damages. A spreadsheet Hadnagy cre-
 21 ated *himself* and provided to Mr. Thomas said, in no uncertain terms, that Social-
 22 Engineer did not enter into 20 contracts because “██████████,” two
 23 contracts because “██████████,” two contracts were “██████████,”
 24 another two contracts due to “██████████,” ten contracts because of
 25 “██████████,” and two contracts because of “██████████.” See ECF 91-3. Not a *single entry* on the
 26 spreadsheet attributed the loss of a contract to Defendants’ conduct. Like in

1 *Grasshopper*, it is improper for Mr. Thomas to “fail[] to consider other factors” and
2 “dismiss[] other possible causes” in order to assume that Defendants’ alleged defama-
3 tion caused each and every putatively lost contract or potential contract. *See* 2019
4 WL 12074086, at *12 (C.D. Cal. July 1, 2019).

5 Second, Defendants do not have the burden of proving admissibility. Hadnagy,
6 as the proponent of the expert, has that burden. *See Lust By & Through Lust v. Mer-*
7 *rell Dow Pharms., Inc.*, 89 F.3d 594, 598 (9th Cir. 1996). Relevant case law does not
8 put the burden on *Defendants* to “raise” evidence to prove other causes for Hadnagy’s
9 economic damages. Rather, Hadnagy has the burden to put forth evidence that sup-
10 ports Mr. Thomas’s assumed causation and economic damages. But even if Defend-
11 ants had such a burden, Defendants met that burden: the spreadsheet that Hadnagy
12 himself created and produced in this litigation demonstrates that Social-Engineer
13 lost these business opportunities for reasons wholly unrelated to Defendants. The
14 factual record directly contradicts Mr. Thomas’s assumed causation and therefore ex-
15 clusion is appropriate. *See Chung*, 2021 WL 1978698, at *3.

16 Third, Hadnagy misinterprets the holding in *Grasshopper*. There, the court
17 excluded the expert not only because he dismissed other causes for the economic dam-
18 ages but also because “an analysis of damages without proving that those damages
19 were caused by the defendant’s allegedly illegal conduct would be wholly useless to
20 the jury.” 2019 WL 12074086, at *12. Likewise, Mr. Thomas provides an analysis of
21 Hadnagy’s economic damages without proving (or even *attempting to prove*) that De-
22 fendants’ alleged defamation caused these damages. Applying *Grasshopper*, Mr.
23 Thomas’s testimony is therefore useless to the jury, and the Court should exclude it.

1 **III. CONCLUSION**

2 The Court should exclude Hadnagy's damages expert, Mr. Ben Thomas, for
3 deficiencies under Rule 702. I certify that this memorandum contains 4,128 words, in
4 compliance with the Local Civil Rules.

5
6 DATED this 4th day of April 2025.

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